

Message Text

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PAGE 01 TRIPOL 00521 070550Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 DOE-15 SOE-02 PM-05 DODE-00 /123 W
-----031078 080121Z /64

R 061500Z APR 78
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 5348
INFO AMEMBASSY CAIRO
AMEMBASSY TUNIS
AMEMBASSY VALLETTA
USCINCEUR

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CINCEUR FOR POLAD

E.O. 11652: N/A
TAGS: EFIN, LY
SUBJECT: LIBYAN BUDGET DIFFICULTIES

1. US OIL COMPANY OFFICIAL INFORMED EMBASSY THAT DURING RECENT NEGOTIATIONS WITH LIBYAN PETROLEUM AUTHORITIES LATTER STRESSED SERIOUS BUDGETARY PROBLEMS FACING LIBYAN GOVERNMENT.
2. US COMPANY WAS SEEKING PRICE MODIFICATIONS IN ORDER TO MOVE MORE LIBYAN CRUDE IN CURRENT GLUT SITUATION. EXPLAINING REASONS FOR LIBYAN INABILITY TO FULLY ACCOMMODATE US COMPANIES, BOTH PETROLEUM MINISTER MABRUK AND NATIONAL OIL COMPANY CHAIRMAN MUNTASSER IN APPARENTLY FRANK DISCUSSION SAID LIBYA WAS FACING REVENUE SHORTAGES AND WAS IN NO POSITION TO SUFFER FURTHER LOSSES OF INCOME.
3. WE HAVE BEEN AWARE FROM REPORTS OF BRITISH, YUGOSLAV,

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ROMANIAN AND POLISH FIRMS OPERATING IN LIBYA THAT THEY HAVE AGAIN BEEN EXPERIENCING LENGTHY AND SERIOUS PAYMENT DELAYS. THIS PHENOMENON HAS OCCURRED IN THE PAST BUT HAS USUALLY BEEN TRANSITORY. IN THIS INSTANCE COUNTRIES CONCERNED BELIEVE THAT PROBLEM IS MORE THAN BUREAUCRATIC AND THAT LIBYA DOES INDEED HAVE A LIQUIDITY PROBLEM.

4. EVEN WITH REDUCTION IN REVENUES DUE TO SLIGHT FALL IN
OIL PRODUCTION (DOWN FROM APPROX 2.1 TO 1.8-1.9 MILLION
BPD FOR LAST SEVERAL MONTHS) REASONS FOR FINANCIAL BIND
UNCLEAR. CERTAINLY PLANNING ERRORS AND GENERAL ADMINISTRATIVE
INEFFICIENCY ARE PARTIALLY RESPONSIBLE. ON OTHER HAND
VASTLY INCREASED EXPENDITURES FOR MILITARY PURCHASES AND
FOR "AID" TO KINDRED COUNTRIES OR GROUPS, ABOUT WHICH WE
HAVE LITTLE INFORMATION, MAY ALSO BE FACTOR.
CARLE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUDGETS, PETROLEUM, PRICES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: TRIPOLI
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780483/aaaacsvd.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8fb2d4b4-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3048432
Secure: OPEN
Status: NATIVE
Subject: LIBYAN BUDGET DIFFICULTIES
TAGS: EFIN, ENRG, LY
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/8fb2d4b4-c288-dd11-92da-001cc4696bcc
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